

VIRGIN ISLANDS PORT AUTHORITY
PROCUREMENT POLICY AND PROCEDURES



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VIRGIN ISLANDS PORT AUTHORITY
PROCUREMENT POLICY AND PROCEDURES MANUAL

SECTION I - POLICY AND GENERAL PROVISIONS

A. Policy

The Virgin Islands Port Authority (“VIPA” or “the Authority”) will procure goods and services in a timely manner and on the most favorable terms after careful consideration of competing offers. Without unduly sacrificing quality and performance, the Authority will at all times seek to minimize the cost of goods and services, the cost of carrying inventory, and the cost of stock-outs.

B. Authority

The rules of this manual are promulgated pursuant to the authority granted under the Governing Board, per the “*Financial Policies for the Virgin Islands Port Authority*”, dated February 2013. The authority to revise or amend this manual lies solely with the Executive Director.

C. Purpose

The purpose of this manual is to establish procedures for purchasing and procurement activities within the Virgin Islands Port Authority.

D. Definitions

As used in this manual, certain words and terms shall have the following meanings unless the context denotes otherwise:

“Brand Name” or “Equal Description” is as defined in Section V-C.

“Competitive Negotiations” is as defined in Section IV-F.

“Construction” means the process of building, altering, repairing, improving or demolishing of a public structure or building, or public improvements commonly known as “capital improvements”. It does not include the routine maintenance of existing structures, buildings or public real property.

“Contract” means an agreement for the procurement of goods and services.

“Contractor” means an entity or an individual who is a party to a contract with VIPA.

“Chief Financial Officer” means the chief procurement officer within VIPA.

“Dispute” is as defined in Section IV-E.

“Emergency Purchase” is as defined in Section IV-H.

“Employee” means an individual receiving a salary from VIPA.

“Entity” means a sole proprietorship, partnership, joint venture, corporation, other unincorporated association, or a private legal organization.

“Executive Director” means Chief Executive of VIPA.

“Financial Services” means services provided by professionals in the areas of banking, investment advice and analysis, investment banking, financial analysis of projects, fund custodian or trustee, cash management, working capital management, credit analysis, and the structuring proposals for raising outside financing through bonds or other financial instruments.

“Goods “ means all property, including but not limited to equipment, materials, supplies, printed documents, plans, specifications, and other tangible property of any kind or nature.

“Invitation for Bids” means all documents, whether attached or incorporated by reference, utilized for soliciting bids.

“Non-competitive Negotiations” is as defined in Section IV-G.

“Procurement” means buying, purchasing, renting, leasing, or acquiring goods or services. It also includes all functions that pertain to the obtaining of goods or services, including description of requirements, selection of soliciting sources, preparation and award of contracts.

“Professional Services” means services provided by an individual or organization which markets a particular skill or expertise in the performance of a highly specialized function.

“Reasonable Bid” means a bid that is equitable, fair and suitable, and is not excessive or inappropriate in any material respect.

“Recurring or Routine Goods and Materials” is as defined in Section VI.

“Recurring or Routine Services” is as defined in section VII.

“Responsible Bidder” means an individual or an entity which has the capability in all respects to fully perform each requirement of a contract, and the integrity and reliability to assure good faith in performance of the contract.

“Responsive Bid” means a properly submitted bid which conforms in all material respects to the invitation for bids.

“Services” means the furnishing of time, labor, or effort by an entity or a person, other than an employee, in any activity resulting in an economic benefit to VIPA.

“Specialized Service” is as defined in Section IX.

“Specifications” is as defined in Section V.

E. Errors, Conflicts and Lack of Procedure.

It is recognized that no manual can cover every circumstance at every point in time. When specific procedures are lacking with respect to a specific problem encountered, the Executive Director will use his own judgment as to the procedures to be employed basing his decision on the spirit and general intent of the procedures described in this manual.

SECTION II - RESPONSIBILITY

The responsibility for purchasing and procurement is vested in the Division of Administration and Finance. The Purchasing Department will serve all the procurement needs of VIPA.

A. Chief Financial Officer

All purchases, rights, powers, duties, and authority relating to the procurement of goods and services, including construction services, and the management, control, warehousing, sale and disposal of goods and services shall be directed by the Chief Financial Officer in conjunction with the user department, where applicable.

The Chief Financial Officer will develop, issue, and maintain procedures governing the initiation, preparation, and final disposition of purchase orders and requisitions.

The Chief Financial Officer shall certify as to the availability of funding for all requisitions involving the expenditure of public funds, irrespective of source, within forty-eight (48) hours after receipt of the requisition.

B. Purchasing and Procurement Supervisor

The Purchasing and Procurement Supervisor shall procure or supervise the procurement of all goods and services needed by VIPA; exercise general supervision and control over all inventories of goods belonging to VIPA; and sell, trade or otherwise dispose of goods surplus to the VIPA.

C. Director of Engineering

The Director of Engineering shall be responsible for the development of all plans and specifications for construction or capital improvement projects; and shall be responsible for the administration of all contracts for architectural, engineering, construction, and construction administration awarded for construction or capital improvement projects.

D. General Counsel

The Authority's General Counsel shall assist in the preparation and shall approve all VIPA contracts as to legal sufficiency prior to execution.

E. Heads of VIPA Departments

All department heads are responsible for initiating requisitions **and** obtaining at least two (2) quotes from bona fide vendors, for the goods, materials, supplies, equipment or services that are considered "non-stock items" and used in the general operations of their respective departments.

NOTE: For any job order(s) estimated by the maintenance division to meet the specific requirements of a department, it is the primary responsibility of the department head (or his/her designee) requesting the job order(s) to initiate a corresponding requisition in VIPA's financial management system and attach an electronic copy of the job order estimate, including all supporting documentation accompanying the job order estimate (e.g., quotes).

SECTION III - PROCUREMENT PLANNING

It shall be the policy of VIPA to adequately plan and budget to determine the purchasing and procurement needs of the Authority on an annual basis prior to the start of each fiscal year.

It shall be the responsibility of each department head or other appropriate personnel to determine the annual needs of their respective department for goods and services that are considered "non-stock items", such as materials, equipment, office supplies, professional services, and construction materials and services. Each department head shall submit to the Chief Financial Officer, by March 31st of each year, a list of planned purchases for goods and services that are considered "non-stock items" (i.e., other than small routine "stock items") including:

- (1) A description of each good or service to include, where appropriate, plans, specifications, and operating requirements;
- (2) Estimated dollar amount of each purchase;
- (3) Required delivery date; and
- (4) Estimated date for initiation of the requisition.

This annual submission must reflect the goods and/or services planned to be procured and to be included in the budget for the upcoming fiscal year.

The list of planned purchases shall be updated on a quarterly basis by the head of each department initiating the requisition.

The Purchasing Supervisor shall utilize the financial management system of VIPA to analyze: 1) routine stock or inventory goods to determine usage rates, order quantities, re-order points, as well as surplus items on at least a quarterly basis during the fiscal year, and 2) obsolete items on at least a semi-annual basis during the fiscal year. However, obsolete items identified during the fiscal year must be compiled by September 30th of each fiscal year and auctioned by no later than the end of the first quarter following the fiscal year-end (i.e., by December 31st of each fiscal year).

This process of determining the purchasing and procurement needs of VIPA in advance of the fiscal year shall be conducted according to the following guidelines:

- (1) Purchases shall be planned in quantities that are adequate, at prices that are reasonable, and of the quality that is desired.
- (2) When necessary, planned purchases shall be submitted with specifications, plans, and operating requirements.
- (3) Purchases shall be planned to allow for timely receipt of the goods or services.
- (4) Purchases shall be planned to avoid disruption of operations and stock-out of materials and supplies.
- (5) Purchases shall be planned to avoid potential losses, including loss of the use of cash, and high carrying cost caused by excessive inventories.
- (6) Purchases shall be planned to avoid the purchase of unnecessary or duplicative goods and services.
- (7) Purchases shall be planned to accommodate consolidation and bulk orders.
- (8) Purchases shall be planned to achieve an inventory turnover limit of not more than forty-five (45) days.

Purchases shall follow the competitive bidding procedures (Section IV); and the requirements and procedures established for stock and recurring goods and materials (Section VI), recurring services (Section VII), capital improvements projects and capitalized maintenance (Section VIII), specialized services (Section IX), and occasional goods and services (Section X).

SECTION IV - COMPETITIVE BIDDING

A. Bidding

All purchases for goods and services by VIPA shall be made only after soliciting competing bids and choosing the most favorable of the competing offers.

VIPA shall advertise for bids sufficiently in advance of bid opening so that the Authority can provide appropriate notice and the opportunity for competition; however, if the cost of the good or service does not exceed fifty thousand dollars (\$50,000), advertisement for bids shall be waived.

Purchases that are considered “non-stock items” of \$50,000 or less shall, wherever possible, be based on at least two (2) quotations solicited by the respective department head via direct request from the prospective suppliers of the good or service. Such requests may be made by written letter, email, fax, or telephone. However, in all circumstances, written documentation of all such quotations – including details surrounding the materials, equipment, office supplies, scope of professional services, and construction materials and services – shall be obtained from the prospective suppliers of the good or service.

Note that for any job order(s) estimated by the maintenance division to meet the specific requirements of a department, it is the primary responsibility of the department head (or his/her designee) requesting the job order(s) to initiate a corresponding requisition in VIPA’s financial management system and attach an electronic copy of the job order estimate, including all supporting documentation accompanying the job order estimate (e.g., quotes).

To the extent possible, an award (or selection) shall be made to the lowest responsive responsible bidder; however, in those instances where the lowest responsive responsible bidder is not awarded (or selected), the department head must provide written justification for the specific circumstance(s) that gave rise to the alternate bidder. Once the quotations are received and an award (or selection) is determined, the respective department head must initiate an electronic requisition in VIPA’s financial management system **and** ensure that the following elements are integrated with the aforesaid requisition:

1. At least two (2) written quotes must be attached in PDF format in accordance with Section V;
2. The supplier of the good or service awarded (or selected) must be clearly notated in the “Preferred Vendor Section” of the electronic requisition;
3. Specific instructions with respect to retrieving goods from a supplier by the department itself, when appropriate, must be clearly noted in the “Preferred Vendor Section” of the electronic requisition (e.g., Maintenance Division to Pick-up Goods, Marine Division to Pick-up Goods, etc.);

- a. **NOTE:** Absent any specific pick-up instructions, the Purchasing Supervisor will schedule and retrieve goods from suppliers by default.
 - b. **CAVEAT:** In those instances where the department elects to retrieve goods from a supplier, to avoid delays in payment for said goods retrieved, the department head is solely responsible for: 1) obtaining the invoice, delivery ticket, and/or bill of lading from the vendor, 2) ensuring that the invoice, delivery ticket, and/or bill of lading is signed and dated, thereby evidencing proper receipt of the goods, 3) forwarding the invoice, delivery ticket, and/or bill of lading – via email in PDF format – to the Purchasing Supervisor within twenty- four (24) hours of receipt of the goods, and 4) filing the original quotes, invoice, delivery ticket, and/or bill of lading in his/her department in accordance with the “Record Retention and Destruction Policy” of the Accounting and Purchasing Departments (See **Exhibit A**).
4. Written justification (i.e., complete statement of the reason(s) for not awarding/selecting the lowest responsive responsible bidder), if applicable, must be clearly noted in the “Body” of the electronic requisition.

B. Advertising for Bids

A notice inviting bids (Invitation for Bids) shall be published in at least one (1) newspaper for general circulation in the Virgin Islands, once per week for four (4) consecutive weeks, for a period of thirty (30) days prior to the date set for the opening of bids. The notice shall include a general description of the goods or services to be procured, shall state where bid forms and specifications are available for pickup, and shall state the time and place for the opening of bids.

Bid deposits shall be required as stated in the Invitation for Bids.

All Invitation for Bids related to the procurement of goods and services (e.g., professional, technical and advisory consulting services), including construction and capital improvement projects, shall indicate that prospective bids be properly sealed and submitted to the Purchasing Supervisor, on or before the date and time specified in the Invitation to Bid, at the following address:

Virgin Islands Port Authority
 Cyril E. King Airport, Administration Bldg.
 Attention: Executive Director
 c/o Purchasing Supervisor,
 St. Thomas 8074 Lindberg Bay
 St. Thomas, V.I. 00802

Bids are time and date stamped upon receipt and locked in the Purchasing Supervisor's Office. All bids remain sealed until opened by the Bid Evaluation Committee ("BEC") outlined in Section IV.C.

VIPA reserves the right to reject any and all bids, parts of bids, or to waive any technicality in the bidding procedure when the Authority's interest will be served thereby.

A pre-bid conference is optional.

Advertisement for bids shall not be required when:

- (1) the cost of the good or service does not exceed fifty thousand dollars (\$50,000);
- (2) an emergency requires immediate delivery of materials, supplies, equipment, or performance of services;
- (3) repair parts, accessories, or supplemental equipment or services are required for equipment, supplies, or services previously furnished or contracted for;
- (4) professional, financial (including financial printing), or other expert services or work are required and VIPA deems that, in the interest of good administration, it is best that such contracts be made without advertisement; or,
- (5) prices are noncompetitive because there is only one source of supply or because prices are regulated under law.

C. Bid Evaluation

The Purchasing Department will analyze and evaluate all bids together with the head of the user department (or his/her designee), and where applicable, submit the bids to a Bid Evaluation Committee ("BEC"), subject to the exception in the paragraph below related to construction and capital improvement projects. The BEC shall consist of the following five (5) persons: 1) Chief Financial Officer (or his/her designee); 2) Purchasing Supervisor (or his/her designee); 3) head of user department (or his/her designee); 4) division head selected by Executive Director; and, 5) division head selected by head of user department.

For construction and capital improvement projects, the Director of Engineering will analyze and evaluate all bids together with the Purchasing Department, and where applicable, submit the bids to a BEC. The BEC for construction and capital improvement projects shall consist of the following five (5) persons: 1) Director of Engineering (or his/her designee); 2) Chief Financial Officer (or his/her designee); 3) Purchasing Supervisor; 4) head of user department (or his/her designee) most affected by the construction/capital improvement project; and, 5) division head selected by Executive Director.

The BEC shall make recommendations to the Executive Director as to the award of a contract. The results of the evaluation shall be documented and included in the contract file as outlined in Section XVII.

The BEC will be used to evaluate bids only when:

- (1) the cost of the good or service to be procured is more than \$50,000;
- (2) the good or service to be procured is of a highly technical nature;
- (3) the Governing Board or the Executive Director specifically authorized the use of a BEC.

D. Bid Award

Contracts shall be awarded to the lowest responsive responsible bidder. In determining the lowest responsive responsible bidder, the following shall be considered in addition to prices:

- (1) the ability, capacity and commitment to discharge the contract according to specifications, including requirements for timely delivery;
- (2) the quality of performance on previous projects;
- (3) the sufficiency of the bidder's financial resources to discharge the contract terms;
- (4) the reputation, judgment, experience and efficiency of the bidder;
- (5) the ability of the bidder to make good on warranties as well as to perform future maintenance and services related to the acquired good or service; and,
- (6) the cost of shipping and associated time delay when electing to purchase from off-island versus on-island suppliers.

When the award is not made to the lowest responsive responsible bidder, a complete statement of the reasons for awarding the contract or placing an order elsewhere shall be prepared and made a part of the bid record.

The Purchasing Department shall provide a written abstract of all bids received.

E. Disputes and Appeals

Dispute means any disagreement between contractors or potential contractors, suppliers, or potential suppliers and VIPA regarding a decision on mistakes-in-bidding, source selection, contract interpretation, termination for convenience, or default.

All such disputes shall be submitted in writing to the Executive Director who will acknowledge receipt of the dispute within five (5) working days after receiving the dispute, and shall render a decision within sixty (60) days of receiving the dispute. An appeal of the Executive Director's decision may be made to the Governing Board. Such appeal must be submitted in writing to the Governing Board. The Governing Board shall

review such appeals and take appropriate action.

F. Competitive Negotiations

Competitive negotiations may be used if conditions are not appropriate for the use of formal advertising, or the group of all qualified suppliers is small and all the qualified suppliers are known to VIPA. In competitive negotiations, proposals are requested from a number of prospective suppliers through the distribution of a Request for Proposal. VIPA shall evaluate all responses to the Request for the Proposal, and may request formal presentations by respondents, interviews with respondents, negotiations with respondents, and any other means appropriate and at the disposal of VIPA. Either a fixed-price or cost-reimbursed type contract will be awarded to the finalist with the best offer.

If competitive negotiation is used for procurement, the following requirements shall apply:

- (1) Proposals shall be solicited from at least three (3) similar providers of service to permit reasonable competition consistent with the nature and requirements of procurement. If the Request for Proposal is publicized, reasonable requests from other sources to compete shall be honored to the maximum extent practicable.
- (2) The Request for Proposal must have a complete description of the good or service being procured, indicate the time of delivery, or performance, and must request all other information pertinent to the evaluation of the offers.
- (3) The Authority shall provide a mechanism for evaluation of proposals of a highly technical nature and for specialized services as described in Section IX, by forming a BEC which may include outside experts if necessary.
- (4) A contract shall be awarded to the responsible party whose proposal will be the most advantageous to VIPA, prices and other factors considered.
- (5) Unsuccessful parties should be notified promptly.

G. Request for Qualifications

The Authority may choose to issue a Request for Qualifications before commencing competitive negotiations with interested parties. The Request for Qualifications is a written solicitation for qualified vendors to present their professional credentials to the Authority for evaluation within the context of a particular assignment being planned by the Authority. Individual persons and/or organizations will present their resume or curriculum vitae, experience and performance on similar or like assignments, and other documents and information as requested for review.

The Authority will issue a Request for Qualification to streamline the procurement process by ensuring that proposals are solicited from only the most qualified vendors or service providers, or whenever it is deemed in the best interest of the Authority to issue a Request for Qualifications.

If the Authority issues a Request for Qualifications, the following requirements will apply:

- (1) The Request for Qualifications shall be generally publicized or at least directly solicited from an adequate number of prospective sources to permit reasonable competition consistent with the nature and requirements of the procurement process.
- (2) The Request for Qualifications shall specifically list the documents and describe the information to be submitted by all respondents for review by the Authority.
- (3) The Request for Qualifications shall describe the contemplated assignment for which the Authority is seeking qualified vendors or service providers for the performance of such assignment.
- (4) The Authority shall provide a mechanism for the evaluation of qualifications from respondents by forming an evaluation team which may include outside experts, if necessary.
- (5) The evaluation team shall make recommendations to the Executive Director as to which of the respondents should be invited to submit proposals for performance of the assignment.

H. Non-competitive Negotiation

Non-competitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Non-competitive negotiations may be used when the award of a contract is infeasible under competitive bidding or competitive negotiation. Circumstances under which a contract may be awarded under non-competitive negotiation are limited to the following:

- (1) The item is available only from a single source.
- (2) Public exigency or emergency.
- (3) The Federal grantor agency authorizes non-competitive negotiations.
- (4) After solicitation of a number of sources, competition is determined inadequate.
- (5) The use of non-competitive negotiation is authorized by the Governing Board.

I. Emergency Purchases

An emergency is defined as any circumstance or condition which exists, and failure to take immediate action would result in harm to life, property, or inconvenience to the travelling public.

When emergency situations arise, the following procedures shall be followed:

- (1) During normal working hours, the Purchasing Department shall expedite purchasing to procure the needed materials, supplies, equipment or service.
- (2) For emergencies that occurred during non-working hours, the department head is responsible for initiating a requisition and attach a memorandum documenting the emergency and a confirming order within forty-eight (48) hours of the occurrence.

SECTION V- SPECIFICATIONS

Specification means any description of the physical or functional characteristics, or nature of a good, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery.

A. Responsibility

Relative to the proper procurement of goods and services, as outlined in Section IV.A, each department head shall: 1) develop specifications, 2) obtain at least two (2) written quotes, and 3) provide written justification for the good or service to be procured when the award (or selection) is not made to the lowest responsive responsible bidder. To mitigate delays in effectuating the procurement process with respect to written quotes, department heads shall adhere to the following policies:

- a. Written quotes will be accepted as an e-mail from a vendor, in fax format from vendor, or by utilizing the Purchasing Department's "Request for Quotation Form".
- b. Included in the quotes should be the company name, contact name, address and all other contact information.
- c. A "no-quote" or "no bid" from a vendor qualifies as a bid provided two (2) other quotes are already obtained.
- d. If the item to be purchased is manufactured/distributed by only one vendor (sole source) no other quote is needed. However, a statement from the vendor on company letterhead indicating the vendor is the sole source supplier of the item should be attached to the requisition.
- e. All quotes, including sole source documentation, must be no older than thirty (30) days.

The specifications shall be submitted to the Purchasing Supervisor, who is responsible for procuring the good or service. If a specific vendor or supplier possesses an exclusive product or service or expertise that is needed, that information shall also be provided to the Purchasing Supervisor prior to procurement.

The Engineering Department shall be consulted on specifications and recommendations before a request is made for the procurement of special or technical equipment or construction related services, including architectural design, engineering, contracting,

sub-contracting, and construction management. Any technical equipment not applicable to the expertise of the Engineering Department will require written specifications from the requesting department and/or consultation from a recommended outside source.

B. Use of Specifications

All specifications shall be written to promote overall economy for the purposes intended, and encouraging maximum competition in satisfying the needs of VIPA.

Specifications shall not be written so as to specify a particular product or service, or a particular feature of a product or service peculiar to one manufacturer or supplier unless that particular product or service or particular feature of a product or service is essential to VIPA's requirements, and products or services of other suppliers would not meet the minimum requirements of VIPA.

Specifications shall, whenever practicable, include a description of the qualitative nature of the good or service to be procured and, when necessary, set forth those minimum standards and characteristics to which the good or service must conform to satisfy its intended use.

C. Brand Name or Equal Provision

When it is impractical to make a clear and accurate description of the required good or service, a "brand name or equal" description may be used.

When used in specifications, a "brand name or equal" description shall set forth those silent physical, functional, or other characteristics of the referenced product or service which are determined to be essential to meet the minimum needs of VIPA. Such description shall include:

- (1) complete identification of the product or service required;
- (2) applicable model, make, or catalog number for each brand name referenced, and identity of the commercial catalog in which it appears;
- (3) name and address of manufacturer, producer, supplier or distributor of each brand name product or service referenced;
- (4) instructions for bidders and suppliers to furnish an "equal" product or service by providing the name of the product or service, manufacturer or supplier, model number, and all other information required for VIPA to determine that the offered product or service fully meets the salient characteristics and requirements listed in the "brand name or equal" description.

D. Specifications Prepared by Architects, Engineers, and Other Outside Consultants

The requirements of this section shall also apply to specifications prepared by outside architects, engineers, consultants or other experts contracted by VIPA

SECTION VI - RECURRING OR ROUTINE GOODS AND MATERIALS

Recurring or routine goods or materials are items of general recurring use throughout the operations of the Authority. These items include for example, stationery, office supplies, cleaning and household supplies, automotive parts and supplies, plumbing supplies, electrical supplies, and carpentry supplies. To prevent disruption of operations and to take advantage of economies in bulk purchasing, VIPA shall procure these recurring or routine goods and materials for inventory or stores.

A. Responsibility

The Purchasing Supervisor is responsible for the procurement of recurring or routine goods, and materials for the management and control of the inventory of recurring or routine goods and materials.

B. Determining Quantities and Order Points.

The Purchasing Supervisor with inputs from the heads of user departments shall determine, on at least a quarterly basis during the fiscal year, the order quantity of each recurring or routine item. The Purchasing Supervisor, by carefully studying usage rates or patterns, shall establish re-order points for each recurring or routine item held in inventory. Establishing order quantities and re-order points shall be a periodic process with a frequency on at least a quarterly basis during the fiscal year. The determination of order quantities and re-order points must meet the following objectives:

- (1) to provide for efficiency of operations by having items of routine and recurring use readily available;
- (2) to prevent disruption in operations caused by stock out of materials and supplies;
- (3) to take advantage of bulk purchases;
- (4) to minimize the cost of obsolescence;
- (5) to avoid overstocking of materials and supplies;
- (6) to minimize the carrying cost of inventory.

C. Receiving

The purchasing Supervisor shall be responsible for the receipt of all recurring or routine goods and materials into inventory. See Section XIII.

D. Requisitions and Use

User departments shall submit requisitions to the Purchasing Supervisor for items held in inventory. See Section XI.

E. Inventory Management

The Purchasing Department shall use a perpetual inventory system to record and account for each item of inventory and to constantly monitor inventory levels and re-order points. The Purchasing Department shall conduct a physical inventory at least once per year. The results of the physical inventory shall be used to make adjustments, if any, to the inventory records.

F. Bidding and Specifications.

The procurement of recurring and routine goods and materials shall follow the established procedures for competitive bidding using specifications for the goods and materials where appropriate.

G. Processing Payments

User departments shall submit vendor invoices for payment by initiating an MDV. A copy of the contract or agreement shall be submitted with the initial request for payment to the vendor.

SECTION VII - RECURRING OR ROUTINE SERVICES

Recurring or routine services are contracted services commonly used in the day-to-day operations of VIPA. These are services which are of a relatively low technical nature and do not involve highly sensitive areas of VIPA's operations. Recurring or routine services include activities such as maintenance and service contracts on office equipment, maintenance and service agreements on computer software (excluding software used in airport security system), utilities, subscriptions and dues, travel and training conferences (reimbursements), security services (excluding airport and marine security), r o u t i n e supply services (i.e. landscaping, exterminating, janitorial) and other like services approved through VIPA's Administration and Finance and Purchasing Divisions.

Requisitions for recurring and routine services shall be prepared by the user department or the department responsible for the services. The requisitions shall be submitted along with specifications, where appropriate, to the Purchasing Supervisor. The Purchasing Supervisor is responsible for procuring recurring and routine services.

User departments shall submit vendor invoices for payment by initiating an MDV. A copy of the contract, agreement, travel and training documents shall be submitted with the initial request for payment to the vendor.

The procurement of recurring and routine services shall follow established competitive bidding procedures with the following exceptions:

- (1) maintenance and service are provided by the supplier of the equipment and were included in the bid package for the equipment;
- (2) the supplier is the only provider of maintenance and service on the equipment; or,
- (3) there is only one authorized provider of maintenance and service on the equipment.

SECTION VIII - CAPITAL IMPROVEMENT PROJECTS

A. Responsibility

The Engineering Department is responsible for the management of all construction and capital improvement projects of VIPA, including the management of all contracts for architectural and engineering services, construction services, and construction management.

B. Scope of Work and Specifications

The Engineering Department shall develop or cause to be developed the scope of work and specifications for each of the services necessary for the construction or capital improvement project. The Engineering Department shall also develop or cause to be developed specifications for materials and equipment to be used.

C. Bidding- Large Projects

Large projects are any capital improvement project with a total cost equal to or greater than \$100,000. All projects funded by the Federal Government, irrespective of size, will follow the procedures outlined in this sub-section.

The Engineering Department shall develop bid packages as appropriate, and including the scope of work and specifications. The bidding process shall follow the procedures outlines in Section IV.

The Authority reserves the right to establish minimum requirements in the following areas for each project:

- (1) That the bidder is experienced as a primary contractor of record of like projects in scope and magnitude.
- (2) That the bidder shall provide evidence of satisfactory completion of like projects in scope and magnitude.

The Authority reserves the right to pre-qualify bidders. If bidders are to be pre-qualified, this requirement must be specifically stated in bid advertisements and in the bid documents. Projects requiring pre-qualification of bidders must be approved by the Governing Board prior to advertisement for bids.

The Authority reserves the right to construct projects using the combination design-build process. All design-build projects must inherently contain definitive qualitative criteria of the bid in the areas of design as well as construction of like projects in scope and magnitude.

Pre-bid conferences are optional and will be held at the discretion of the Authority.

D. Bidding- Small Projects

Small projects are capital improvement projects for routine construction or maintenance and with a total cost of less than \$100,000. The engineering Department shall develop bid packages as appropriate, and including the scope of work and specifications. The bidding process shall follow the procedures outlined in Section IV.

Small capital projects shall not require a bid bond or payment and performance bond.

E. Special Conditions-Local Contractors

In cases in which a project is not federally funded, in lieu of a performance and payment bond in the full amount of the contract, local companies may adhere to the following levels of security:

- (1) Contracts in excess of \$1 million but less than \$2 million (with a \$2 million cap), the local contractor must post both an Irrevocable Letter of Credit (IRC) from a lending institution licensed and regulated in the USVI, **and** the contract will be subject to withholding 10% to 25% of the contract price until full and satisfactory completion of the contract.
- (2) For contracts less than \$1million, the local contractor must post either an Irrevocable Letter of Credit (IRC) from a lending institution licensed and regulated in the USVI, **or** the contract will be subject to withholding from 5% to 15% of the contract price until full and satisfactory completion of the contract.

F. Contract Payments- All Capital Improvement Projects

The Authority shall make progress payments to contractor's based on approved periodical estimates after verification by Engineering that the standards of quality and quantity established under the contract have been fulfilled. The amount of the progress payment shall be 90% of the amount of the scheduled estimate. The Authority shall retain 10% of the contract value until completion and final acceptance of all the work.

SECTION IX - OTHER SPECIALIZED SERVICES

Other specialized services are services which require a particular expertise in determining scope, and in evaluating potential providers. Such services include insurance, accounting, and auditing, legal, advertising and marketing, financial and investment, airport security services, computerized information systems services, maintenance services on highly specialized equipment, including but not limited to conveyor belts, air conditioning and elevators.

VIPA officers authorized to secure specialized services for VIPA shall initiate Request for Proposals for such services (See Section IV). The responses to the Request for Proposals shall be reviewed and evaluated by the authorized officer and the Chief Financial Officer, or by forming a Bid Evaluation Committee which may include outside experts if the projected cost for the service is

\$50,000 or more. A contract shall be awarded to the service provider with the best proposal.

A. Vendor/Consultant Travel Reimbursement Standards

The Virgin Islands Port Authority (“Port Authority” or “Port”) contracts may provide that the Port Authority will reimburse consultants, contractors, or other vendors (a “Vendor”) for certain expenses incurred on behalf of and in connection with official Port Authority business. These Vendor Travel Reimbursement Standards shall control Port Authority payment or reimbursement for Vendor travel expenses.

Vendor travel costs and related expenses shall be reimbursed as follows:

1. Every Vendor planning to incur expenses as provided for herein must receive prior written approval by the Port Authority representative administering the subject contract (“Port Authority Administrator”).
2. The Port Authority shall reimburse a Vendor for use of a personal automobile for Vendor travel up to two hundred (200) miles, one way. Personal automobile expenses for such travel shall be computed based upon actual miles to and from the approved starting point and destination. The Port Authority shall reimburse a Vendor for such automobile expenses at the then- current Internal Revenue Service standard mileage rate for business travel. The Port Authority disclaims any other costs or liability for such travel, which shall be assumed by the Vendor, including without limitation all costs and expenses in the event of an accident involving a personal vehicle, including insurance deductible fees.
3. The Port Authority shall reimburse a Vendor for the use of regular coach air transportation (state rate or corporate rate, whichever is lower) for Vendor travel in excess of two hundred (200) miles, and the Port Authority Administrator may agree to reimburse plane fare for shorter flights as reasonably necessary for Port Authority business purposes. In order to maximize discounted airfares, the Vendor should coordinate with the Port Authority Administrator to schedule on- site visits sufficiently far in advance to take advantage of reasonable advance- purchase offers. In the event a meeting or on- site visit is cancelled by the Port Authority, the Port Authority shall reimburse Vendor for any airline- imposed advance- purchase cancellation penalty.
4. In the event that Vendor travel reasonably requires overnight out- of- town accommodations, the Port Authority shall reimburse Vendor for the cost of such hotel accommodations at the discounted corporate or state rate (whichever is lower), when available.
5. The Port Authority shall reimburse Vendor meal expenses for a Vendor who travels

50 miles or more, and stays overnight, provided that a Vendor who departs from a Port Authority business meeting prior to 12:01 p.m. shall not be permitted to bill for meals for that day other than breakfast following the overnight stay. In the event of such travel requiring out-of-town meals, the maximum billable amount per person per day for meals will be actual cost up to the then-current applicable meals and incidental expense per diem rates. Notwithstanding the foregoing, the Port Authority shall reimburse a Vendor for reasonable miscellaneous expenses (i.e., tips, transfers, etc.) at an amount not to exceed the greater of (a) 20% of the base expense, in the event of a restaurant tip, or (b) \$10.00 per person per day.

6. In the event that Vendor travel requires out-of-town automobile use, the Port Authority shall reimburse a Vendor for a rental car at the lowest available rate for the least expensive, air-conditioned, automatic transmission, mid-size car available to the Vendor under corporate rate programs. The cost of full coverage collision insurance shall be reimbursed; the cost of personal protection plans shall not be reimbursed.
7. The Port Authority shall reimburse a Vendor for the cost of reasonable ground transportation (in the event that Vendor travel requires out-of-town travel via airplane), parking, and tolls paid by a Vendor. Charges for limousines and/or specialized car services shall not be reimbursed, unless written documentation is provided that such services were the only available transportation.

Vendors shall not be reimbursed for expenses for travel which does not receive prior written approval by the Port Authority Administrator. Vendors paid on an hourly basis shall not be compensated for their travel time unless prior written approval for such time has been specifically given by the Port Authority Administrator.

All requests for reimbursement of travel costs and related expenses must be submitted with receipts and supported by detailed itemized documentation. Vendors shall not be reimbursed for expenses which are not accompanied by original receipts, unless such receipts are not reasonably available.

All approved expenses shall be reimbursed at "actual cost" only; the Port Authority shall not pay or reimburse for any overhead mark-up on expense items.

SECTION X - OCCASIONAL GOODS AND SERVICES

Occasional goods and services are needed due to particular or unique circumstances. Requisitions or Request for Proposals for such goods or services shall be initiated by the head of the user department or by the VIPA officer with authority in the particular or unique circumstance. The Purchasing Supervisor shall be responsible for procuring occasional goods and services in accordance with the procedures outlined in this manual,

unless the item is of a highly technical nature or highly specialized, wherefore the procedures outlined in section IX shall apply

SECTION XI – REQUISITIONS

An order for goods, materials, supplies, equipment or non-technical or routine services is initiated when the requesting department fills out an electronic requisition. The requesting department shall provide the following information on the electronic requisition:

- (1) Department Name
- (2) Requisition Number
- (3) Job number from the Job Order System
- (4) Person making the request
- (5) Date of the order
- (6) Description of items requested
- (7) Account and Sub-account to be charged
- (8) Quantity
- (9) Signature of the Department Head or his designee authorizing the request

Once the electronic requisition is completed with the above information, it shall be submitted to the Purchasing Department. The Purchasing Department will either fill the request from the inventory or initiate a Purchase Order for the procurement of the items from an outside vendor or supplier.

A. Stock Items

If the items requested on the electronic requisition are in stock, the Purchasing Department will indicate on the electronic requisition that the items are stock items, fill in the unit cost and total cost on the electronic requisition, remove the items from stock, and deliver the items to the user department. An authorized representative in the user department shall sign the electronic requisition indicating receipt of the items. The Purchasing Department shall make entries in the inventory records for the items filled from stock.

B. Non-stock Items

If the items on the electronic requisition are not in stock, the requesting user department will indicate that the items are non-stock items on the electronic requisition and, following the competitive bidding procedures outlined in Section IV. Upon receipt of an electronic requisition, the Purchasing Department will review the requisition for proper compliance (e.g., Sections IV and V), contact the user agency, if necessary, to correct any deficiencies with the requisition, convert the requisition to a valid purchase order, and proceed to fill the order from an outside vendor or supplier within forty-eight (48) hours of converting the requisition into a valid purchase order (see Section XII).

C. Non- Budgeted Expenditures

Any request for expenditures not included in the approved VIPA Annual Budget must be approved by the Executive Director. If non-budgeted expenditure is over \$75,000, approval of the Governing Board is required.

SECTION XII- PLACEMENT OF ORDERS

The following information shall be included on the Purchase Order:

- (1) Requisition number
- (2) Date
- (3) Vendor name and address
- (4) Vendor identification number
- (5) Shipping address
- (6) Billing address
- (7) Department Head requesting items
- (8) Description of each item including part number if applicable
- (9) Account and sub-account number to be charged
- (10) Quantity
- (11) Unit price
- (12) Extended price
- (13) Total order price

The above information is entered in VIPA's financial management system, which includes an integrated purchasing module. The purchasing module shall automatically assign a system generated Purchase Order number that is verified and signed by the Purchasing Supervisor, and must be approved by the Chief Financial Officer. The Chief Financial Officer shall verify that the purchase is included in the approved VIPA Annual Budget. The Purchase Order must also be approved by the Executive Director if the total order price exceeds \$10,000 or more. Any non- budgeted purchases must be approved by the Executive Director and, if over \$75,000, by the Governing Board.

A. Distribution

A copy of the Purchase Order is sent to the vendor selected for filling the order. An electronic copy of the purchase is only emailed to the user department where pick-up is requested by the user department. In those instances where the user department requests pick-up of goods, the purchase order must be utilized as a basis for verifying and recording (i.e., signature and date) in accordance with Section XIII.6-8.

B. Replacement Purchase Order

The Supplier shall not be allowed to make changes to any terms or conditions of the Purchase Order without the approval of the Purchasing Department. A Replacement Purchase Order will be issued by the Purchasing Department to effect changes (increase or decrease in quantities, price, delivery instruction, etc.). If changes in the original order do not exceed 10% of the order, the Purchasing Supervisor may issue a Replacement Purchase Order without further authorization. If this value is exceeded, the Replacement Purchase Order must be authorized by the Chief Financial Officer and a new purchase order is generated by the Purchasing Department, with the previous relevant purchase order documents attached.

SECTION XIII - RECEIVING

All goods, material, supplies, equipment purchased by VIPA shall be delivered to the Purchasing Department. The Purchasing Department shall be responsible for the following:

- (1) Perform a physical count of the items received and make notations of the count on the Purchase Order.
- (2) Perform a visual inspection of all packages received to determine if there is any damage. The packages should be opened in the presence of a witness. All packages must be opened and inspected immediately, when it is possible to do so, but not later than three (3) working days from receipt. Any evidence of damage shall be noted on the bill of lading or delivery ticket and on the Receiving Report, and the damaged items shall not be accepted for use.
- (3) If the items are backordered, indicate the items that are on back order on the Purchase Order.
- (4) The Purchase Order must be signed and dated by the Receiving Clerk. A copy of the Purchase Order should be retained for the files of the Purchasing Department.
- (5) If, for convenience and ease of operations, the Purchasing Department directs the delivery of the goods, materials, supplies or equipment to the user department, an authorized representative from the user department must perform steps 1 through 5 above.
- (6) The Purchasing Department shall close out the Purchase Order on the Purchasing Module of VIPA's financial management system once the Purchase Order is completed.
- (7) The Purchasing Department shall review all open Purchase Orders and conduct appropriate follow-up and close-out of all open purchase orders on at least a monthly basis during the fiscal year.

SECTION XIV- RETURN OF GOODS

The Purchasing Department is responsible for returning unacceptable merchandise to the vendor. A memorandum shall be prepared by the receiver stating the reasons for the return. If the items being returned were already recorded as received, a correcting or reversing entry shall be made in the purchasing records.

SECTION XV- PETTY CASH PURCHASES

VIPA shall utilize petty cash funds to facilitate purchases of small items and for convenience of operations. The Purchasing Supervisors, certain department heads, managers, and supervisor are designated as Petty Cash Custodians. The petty cash funds shall be managed as follows:

- (1) The funds shall be used for emergencies which require small purchases of goods or services costing no more than \$300 per item or unit of service.
- (2) A sequentially numbered Petty Cash Voucher (See **Exhibit B**) shall be prepared and signed by each person receiving petty cash.
- (3) Invoices or receipts representing the cost of good purchased from the petty cash funds shall be returned to the Petty Cash Custodian within forty-eight (48) hours of disbursement.
- (4) Petty cash funds shall not be used to reimburse travel expenses that require the submission of a Travel Expense Report.
- (5) Transactions shall not be subdivided in order to circumvent the \$300 maximum limit noted in (1) above.
- (6) To replenish the funds, Custodians shall (a) prepare a Petty Cash Replenishment Request when total expenses approach not more than 60% of the total petty cash fund, (b) indicate the amounts charged to the various cost centers and expense classifications on the Petty Cash Replenishment Request, (c) attach individual Petty Cash Vouchers in numerical sequence with supporting documents, (d) verify cash on hand and the amount to be replenished, and (e) submit a fully executed copy of the Petty Cash Replenishment Request, Petty Cash Vouchers, and supporting receipts in PDF format via the financial management system of VIPA.
- (7) The submitted documents shall be audited and initialed by the appropriate personnel within the Accounting Division.
- (8) The Custodian will receive a replenishment check to restore the fund to its original balance. The check must be cashed promptly.
- (9) The fund shall be replenished only by check, and never from cash receipts not yet deposited.

SECTION XVI - CREDIT CARD PURCHASES

VIPA shall use credit card purchases as a complement to existing policies and procedures to take advantage of competitive prices and terms offered by suppliers, and to facilitate the procurement of goods outside of the territory. Credit cards shall be issued to the Executive Director, Chief Financial Officer and Purchasing Supervisors. The use of the credit cards shall be managed as follows:

- (1) The credit card shall be used to purchase goods that are needed from suppliers, who otherwise do not accept Purchase Orders.

- (2) The credit card shall be used to procure goods from suppliers outside of the territory on a timelier basis if purchasing the goods on regular credit terms will cause delays unacceptable to VIPA.
- (3) The Purchasing Supervisors are authorized to make credit card purchases in amounts necessary to procure goods from the suppliers identified in (1) and (2) above; however, the Executive Director, Chief Financial Officer, and Purchasing Supervisors are strictly prohibited from utilizing an authorized credit card for cash advances under any circumstance(s).
- (4) Credit card purchases by the Purchasing Supervisors must not exceed \$10,000 for each purchase, without first obtaining approval by the Executive Director. Total credit card purchases must not exceed the credit limit with the bank or financial institution issuing the credit card.
- (5) Receipts for each individual credit card purchase must be obtained by the respective user of the credit card account (i.e., Executive Director, Chief Financial Officer, and Purchasing Supervisors).
- (6) An electronic copy of the monthly statement for each credit card account shall be forwarded to the Chief Financial Officer by the 10th business day of each month.
- (7) A monthly disbursement voucher must be prepared in the amount charges on the monthly credit card statement. The monthly disbursement voucher, credit card statement, and receipts shall be submitted via the financial management system of VIPA.
- (8) The submitted documents shall be audited and initialed by the appropriate person within the Accounting Division.
- (9) A payment for the monthly amount will be processed and transmitted via electronic funds transfer (e.g., ACH) to the credit card company.
- (10) The credit card shall not be used to circumvent any of the procurement procedures outlined in this document. Credit card purchases shall follow the bidding procedures outlined in Section IV.

SECTION XVII- RECORD KEEPING AND FILES

A. Contract File Documentation

For each contract awarded, an official contract file shall be established and shall contain the following information:

- (1) Purchase requisition
- (2) Public notice
- (3) Mailing list of bidders
- (4) Invitation for bids or request for proposals
- (5) Bid abstract or record
- (6) Determination of non-responsible bidder, when applicable
- (7) Determination of inadequate response to bid, when applicable
- (8) Certification regarding debarment, suspension, ineligibility, voluntary

- exclusion, and other responsibility matters
- (9) Evaluation of bids
 - (10) Notice of award to successful bidder and unsuccessful bidders
 - (11) Contract
 - (12) Noncompetitive determination, when applicable
 - (13) Emergency procurement determination, when applicable
 - (14) Cost-reimbursement contract, when applicable
 - (15) Basis for cost or price

The Purchasing Supervisor is the custodian of the contract file, except the contract files on construction and capital improvement projects, which will be in the custody of the Director of Engineering. A checklist (See **Exhibit C**) shall be utilized by the Purchasing Supervisor and Director of Engineering to maintain compliance with Section XVII.

B. Vendor Files

The vendor files should include a listing of all vendors with whom VIPA does business. The listing should contain the following information for each vendor:

- (1) Address
- (2) Telephone and facsimile numbers
- (3) Goods and services supplied
- (4) Contact person
- (5) Employer identification number or Social Security number

The Purchasing Supervisor is the custodian of vendor files.

C. Purchase Order File

This file should contain the following:

- (1) Open Purchase Orders
- (2) Closed purchase Orders
- (3) Unprocessed Purchase Orders

The Purchasing Supervisor is the custodian of the purchase order files.

D. Receiving Report File

This file should contain a copy of each completed Purchase Order submitted to the Accounting Department.

The Receiving Clerk is the custodian of the receiving report file.

E. Requisition File

A file of all Requisitions arranged numerically by user

department. The Purchasing Supervisor is the custodian of the

requisition file.

F. Petty Cash File.

A file for all petty cash vouchers arranged numerically and by Fiscal Year.

The Purchasing Supervisor and certain department heads, managers, and/or supervisors are the custodians of the petty cash file.

G. Credit Card File

A file for all credit card miscellaneous disbursement vouchers.

The Accounting Division is the custodian of the credit card miscellaneous disbursement vouchers.

H. Inventory File

This file should contain a record of each inventory item and the quantity on hand for each inventory item.

The Purchasing Supervisor is the custodian of the inventory file.

SECTION XVIII- ETHICAL CONDUCT STANDARDS

A. Policy

Public employment is a public trust. In VIPA contracting, employees shall discharge their duties impartially so as to assure fair competitive access to VIPA procurement by responsible contractors and conduct themselves in a manner as to foster public confidence in the integrity of the Authority.

B. Definitions

As used in this section, the following definitions apply:

“Confidential information” means any information which is available to an employee only because of the employee’s status as an employee and is not a matter of public knowledge or available to the public on request.

“Direct or indirect participation” means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity.

“Financial interest” means (i) ownership of any interest or involvement in any

relationship from which, or as a result of which, a person within the past year has received, or is presently or in the future entitled to receive compensation, (ii) or holding a position in a business such as an officer, director, trustee, partner, employee or the like, or holding any position of management.

“Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present, or promised, unless consideration of substantially equal or greater value is received.

“Immediate family” means a spouse, child, parent or sibling.

C. Ethical Standards for Employees

Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee’s duties is a breach of a public trust. In order to fulfill this ethical standard, employees must meet the requirements of this section.

D. Ethical Standards for Contractors

Any effort to influence any public employee to breach the standards of ethical conduct set forth in this section is also a breach of ethical standards.

E. Employee Disclosure Requirements

Disclosure of benefit received from contract: any employee who has, or obtains any benefit from any government contract with a business in which the employee has a financial interest shall report such benefit to the Chief Financial Officer or his designee.

Failure to disclose benefit received: Any employee who knows or should have known of such benefit and fails to report such benefit is in breach of the ethical standards of this Section.

F. Employee Conflict of Interest

It shall be a breach of ethical standards for any employee to participate directly or indirectly in procurement when the employee knows that:

- (1) The employee or any member of the employee’s immediate family has a financial interest pertaining to the procurement.
- (2) A business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurement; or
- (3) Any other person, business or organization with whom the employee or any member of the employee’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

Upon discovery of an actual or potential conflict of interest, an employee shall promptly file a written statement of the disqualification and shall withdraw from further participation in the transaction involved.

G. Use of Confidential Information

It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any other person.

H. Prohibition Against Gratuities and Kickbacks

Gratuity: It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation for any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim, or controversy, or subcontract, or to any solicitation or proposal thereof.

Kickback: It shall be breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

Contract Clause: the prohibition against gratuities and kickbacks prescribed in this Subsection shall be conspicuously set forth in every contract and solicitation therefor.

I. Prohibition Against Contingent Fees

It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a government contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

Every person, before being awarded a government contract, shall represent, in writing, that such a person has not retained anyone in violation of this Subsection. Failure to do so constitutes a breach of ethical standards.

The representation prescribed in this Subsection shall be conspicuously set forth in every contract and solicitation therefor.

J. Restriction on Employment

It shall be a breach of ethical standards for any employee who is participating directly or indirectly in the procurement process to become or be, while such an employee, the employee of any person contracting with VIPA by whom the employee is employed.

It shall be a breach of ethical standards for any former employee knowingly to act as a principal, or as an agent for anyone other than the government in connection with any:

- (1) judicial or other proceeding, application, request for a ruling, or other determination;
- (2) contract;
- (3) claim; or
- (4) charge or controversy,

in which the former employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation or otherwise while an employee, where the VIPA is a party or has a direct and substantial interest.

It shall be a breach of ethical standards for any former employee, within twelve (12) months after cessation of the former employee's official responsibility, knowingly to act as a principal, or as an agent for anyone other than the government in connection with any:

- (1) judicial or other proceeding, application, request for a ruling, or other determination;
- (2) contract;
- (3) claim; or
- (4) charge or controversy,

in matters which were within the former employee's official responsibility, where the government is a party or has direct or substantial interest.

It shall be a breach of ethical standards for a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than the government, in connection with any:

- (1) judicial or other proceeding, application, request for a ruling, or other determination;
- (2) contract;
- (3) claim; or
- (4) charge or controversy,

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, or investigation.

It shall be a breach of ethical standards for any former employee to engage in selling or attempting to sell supplies, services, or construction to the authority for one (1) year following the date employment ceased.

The term “sell” as used herein means signing a bid, proposal, or contract; negotiating a contract; contacting any employee for the purpose of obtaining, negotiating, or discussing changes in specifications, price, cost, allowances, or other terms of a contract; settling disputes concerning performance of a contract; or any other liaison activity with a view toward the ultimate consummation of a sale although the actual contract therefore is subsequently negotiated by another person; provided, however, that this subsection is not intended to preclude a former employee from accepting employment with a private industry solely because the former employee’s employer is a contractor with VIPA, nor shall a former employee be precluded from serving as a consultant to the Authority.

K. Collusion Between Bidders

Collusion or secret agreement between bidders for the purpose of securing an advantage to the bidders as against the authorizing agent in the awarding of contracts is prohibited. The authorizing agent may declare the contract void if he finds sufficient evidence after a contract has been let that the contract was obtained by a bidder or bidders by reason of collusion or secret agreement among bidders to the disadvantage of the Authority.

Every person, before being awarded a government contract, shall represent, in writing that such person has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of competition in connection with the bid or proposal submitted.

The representation prescribed in this subsection shall be conspicuously set forth in every contract and solicitation therefor.

L. Prohibition Against Employee Use and Contractor Acceptance of Purchase Requisitions.

Only valid purchase orders and contracts awarded pursuant to this manual constitute legal and binding documents between VIPA and its contractors. The Authority shall not make payment to a contractor who delivered goods and services as a result of receipt and acceptance of a “draft” purchase requisition (or oral representations on behalf of VIPA), unless such purchase was authorized.

Therefore, unless otherwise authorized, any employee who uses or attempts to use a “draft” purchase requisition (or oral representations on behalf of VIPA) to obtain goods and/or services directly from a contractor (or other vendor) without first obtaining a valid purchase order (or contract) may be held personally liable and responsible for the amount of the goods and services.

Furthermore, employee purchases for the Authority without the use of a valid purchase order (or contract) are improper and illegal. Such actions may be ratified in exceptional

circumstances when such action is determined to be in the best interest of the Authority. However, said ratification must be in writing and properly communicated to the CFO and Purchasing Supervisor.

M. Civil Penalties

An employee who violates a provision of this manual is subject to adverse action, including but not limited to reprimand, suspension without pay, or termination of employment.

A person other than an employee who violates a provision of this manual shall be subject, by the Executive Director, to written warning or reprimand, termination of contract or transaction or suspension from being a contractor or subcontractor under a VIPA contract.

All proceedings under this Subsection must be in accordance with due process requirements, including but not limited to reasonable notice and opportunity for hearing.

EXHIBIT A

ACCOUNTING & PURCHASING DEPARTMENTS



RECORD RETENTION AND DESTRUCTION POLICY

PURPOSE

The purpose of this policy is to ensure that necessary records and documents are adequately protected and maintained and to ensure that records that are no longer needed by or no value to the Accounting and Purchasing Departments are discarded at the proper time. This policy also serves the purpose of aiding employees of the Accounting and Purchasing Departments in understanding their obligations in retaining documents.

PART I: POLICIES & PROCEDURES

A. RETENTION POLICY

This document encompasses the policies and procedures regarding the retention and disposal of records for the Accounting and Purchasing Departments. It is the responsibility of each employee to ensure effective record retention management so that public records are not arbitrarily destroyed and that legal recordkeeping requirements are met. Each employee shall routinely evaluate its record retention schedules to ensure compliance with federal, state and departmental requirements.

This policy covers all records and documents, regardless of physical form or characteristics, which have been made or received by the Accounting and Purchasing Departments in connection with any transaction for or on behalf of the V.I. Port Authority.

The records of the Accounting and Purchasing Departments shall be classified for purposes of retention and destruction as follows:

Category 1: Permanent records. Records that are permanent or essential shall be retained and preserved indefinitely.

- Permanent records are records required by law to be permanently retained and which are ineligible for destruction unless special measures are followed, such as being microfilmed or placed on an optical imaging system. Once these measures

are followed, the original paper records may be destroyed. Duplicate copies of permanent records include, Board files, internal and external audits and personnel hiring and disciplinary records. It is not anticipated that every employee will have permanent records.

- Essential records. Essential records are records necessary for the continuity of the V.I. Port Authority and the protection of the rights and interests of individuals, for example grant awards and modifications.

Category 2: Current Records. Current records are records that for convenience, ready reference or other reasons are retained for two (2) years in the office space of the Accounting and Purchasing Departments. Current records shall be retained as follows:

- Where retention period specified by law. In those instances where federal, state, or local law prescribes a definite period of time for retaining certain records, the Accounting and Purchasing Departments will retain the records for the period specified by law. Examples of records required to be maintained for a specific period are Worker's Compensation Records, grievances and payroll records.
- Where no retention period is specified by law. When no specific retention period is specified by law, the Accounting and Purchasing Departments are required to retain current records on-site for a minimum of two (2) years, although such records may be treated as "storage records" and placed in storage at any time during the applicable retention period. Examples of current records include: internal/external correspondences, financial schedules, quotes, receiving reports, purchase orders and other administrative records.

Category 3: Storage Records. Storage records are records that are retained offsite after the specified law has been attained by its counterpart, Category 2. Storage records are subject to a time-frame of seven (7) years before destruction. Examples of storage records include project invoices, payroll correction reports, internal/external correspondences, financial schedules, quotes, receiving reports, purchase orders and other administrative records.

Category 4: No Retention Required. Documents and other materials that are not records need not be retained unless retention is otherwise required by law or by the attached Record Retention and Destruction Schedule. Documents and other materials (including originals and duplicates) that are not otherwise required to be retained, are not necessary to the functioning or continuity of the Accounting and Purchasing Departments and which have no legal significance may be destroyed when no longer needed. Specific examples include telephone message slips, miscellaneous correspondence not requiring follow-up or departmental action, notepads, e-mails that do not contain information required to be retained under this policy, and chronological files.

With limited exceptions, no specific retention requirements are assigned to documents in this category. Instead, it is up to the originator or recipient to determine when the document's business utility has ended.

B. RECORDS NOT ADDRESSED IN THE RECORD RETENTION SCHEDULE

Records and other documents or materials that are not expressly addressed by the attached schedule may be destroyed at any time provided that they have been retained for the periods prescribed for substantially similar records.

C. STORAGE OF RECORDS

Records may be stored on-site in the offices or equipment of the Accounting and Purchasing Departments if the records are in active use or are maintained in the office for convenience or ready reference. Examples of active files are research and reference files, legislative drafting files, administrative files, and personnel files. Inactive records, for which use or reference have diminished sufficiently to permit removal from the office space or equipment may be sent to one of the off-site storage facilities provided by the V.I. Port Authority.

II. RECORD RETENTION SCHEDULE

The Record Retention Schedule is organized as follows:

SECTION TOPIC

1. Cashier/Collection
Aviation/Marine records
2. Payroll
3. Aviation/Marine Accounts Receivable
4. Accounts Payable
5. Fixed Asset
6. General Ledger
7. Project/Grants
8. Senior Accountant
9. Accounting Manager
10. Purchasing Supervisor

1. CASHIER/COLLECTION

A. Aviation/Marine Records

- Deposit Records Category 2
- E-collect reports Category 2

- Ramp Sheets Category 2
- Log Book Category 1
- Debit/Credit Bank Adjustment slips Category 2

2. PAYROLL

- W2's Category 2
- Sick and Annual Leave Records Category 3
- NOPAS Category 3
- Check Register Category 3
- Pay Period Information (deductions, garnishments) Category 3

3. AVIATION/MARINE ACCOUNTS RECEIVABLE

- Correspondence forms, letters Category 2
- Customer Files Category 2
 - Invoices/Statements/Inter-Memorandum
 - E-collect records

4. ACCOUNTS PAYABLE

- Vendor files Category 2
 - Invoices/Documents/Quotes
- Inter-Bank & Wire Transfers Category 2
- 1099 Forms Category 2
- Contracts Category 2
- Gross Receipt records Category 1
- Transportation Requests Category 1

5. FIXED ASSET

- Capital Expenditure Requests Authorize Category 1
- Job Orders Category 2
- Project Time-sheets Category 2
- Asset/Depreciation records Category 2

6. GENERAL LEDGER

- Bank Reconciliations Category 2
- Statement of Remittances Category 1

- Cancelled Checks Category 2
- Journal Entry records Category 2
(for all related sections)

7. PROJECT-GRANTS

- FAA Grants Category 2
- Project Contracts Category 2
- Project Vendor files Category 2
Invoices/Documents

8. SENIOR ACCOUNTANT

- Account Reconciliation Category 2
- All Inter-Bank/Wire Transfers Category 1
- FAA Draw-downs reports Category 1
- Direct Deposit Transfers Category 1
- FAA CAT Reports Category 1
- AAPA Dues Calculation report Category 1
- Accounts Receivable Statements Category 1

9. ACCOUNTING MANAGER

- Financial Correspondence Category 1
- Yearly Budgets Category 1
- Financial Reports Category 1
- Audit Reports Category 1
- Insurance Documents/Correspondence Category 1
- Correspondence documents, letters Category 2

10. PURCHASING SUPERVISOR

- Contract Files Category 2
- Auctions Category 2
- Inventory Records/Analysis Category 2
- Purchase Orders Category 2
- Receiving Reports Category 2
- Invoices/Credit Card Statements Category 2
- Vendor Quotations Category 2
- Correspondence documents, letters Category 2

EXHIBIT B

**VIRGIN ISLANDS PORT AUTHORITY
PETTY CASH REQUEST / VOUCHER**



REQUEST NO.	
DATE	

VOUCHER NO.	
DATE	

PAY TO:

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DESCRIPTION	ACCOUNT CODE			
	MAIN	SUB		
	TOTAL >>>>>>			

AUTHORIZED-CERTIFYING OFFICER:

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RECEIVED PAYMENT:

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DATE:

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EXHIBIT C



CONTRACT FILE CHECKLIST (CFC)

Name of Firm: _____

Address of Firm: _____

Project Title and Description: _____

Project CER Number: _____

Contractor Tax ID Number: _____

Board Approval Date: _____

- | | |
|--|--------------------------|
| 1. Purchase Requisition | <input type="checkbox"/> |
| 2. Public Notice | <input type="checkbox"/> |
| 3. Mailing List of Bidders | <input type="checkbox"/> |
| 4. Invitation for Bids or Request for Proposals | <input type="checkbox"/> |
| 5. Bid Abstract or Record | <input type="checkbox"/> |
| 6. Determination of Non-responsible Bidder, when Applicable | <input type="checkbox"/> |
| 7. Determination of Inadequate Response to Bid, when Applicable | <input type="checkbox"/> |
| 8. Evaluation of Bids | <input type="checkbox"/> |
| 9. Notice of Award to Successful Bidder and Unsuccessful Bidders | <input type="checkbox"/> |
| 10. Contract | <input type="checkbox"/> |
| 11. Non-competitive Determination, when Applicable | <input type="checkbox"/> |
| 12. Emergency Procurement Determination, when Applicable | <input type="checkbox"/> |
| 13. Cost-reimbursement Contract Determination, when Applicable | <input type="checkbox"/> |
| 14. Certification Regarding Debarment, Suspension, etc. | <input type="checkbox"/> |
| 15. Basis for Cost or Price: _____ | |